

DEPARTMENT OF BENEFIT PAYMENTS
744 P Street, Sacramento, CA 95814

January 2, 1976

ALL-COUNTY LETTER NO. 76-1

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP PROGRAM: RETROACTIVE BENEFITS, REFUNDS, AND CLAIM
DETERMINATIONS
REFERENCE:

The purpose of this letter is to establish procedures for the administrative granting of retroactive benefits without the necessity of fair hearing. These procedures are currently in the process of being manualized. In addition, this letter clarifies certain existing provisions of the California Food Stamp Regulations relating to refunds and claim determinations in an effort to help correct numerous errors that have been made by county agencies in the administration of these provisions.

RETROACTIVE BENEFITS GRANTED AS A RESULT OF ADMINISTRATIVE DECISION

When counties discover that households have lost benefits as the result of county agency delay in processing new applications or recertification or as the result of another administrative error by the county, retroactive benefits may be granted to those households without the necessity of a fair hearing request by the households.

This process may be initiated by the county. However, in those cases where households have claimed the loss or delay of benefits, this policy is applicable only in uncontested adjustments. If the county does not agree with the household's claim that delay or administrative error has occurred, the claim must be pursued through the fair hearings process.

For the purposes of this procedure, an administrative error is any error made by the county issuance or certification staff which may be either a computational error, a misapplication of program regulations (including, but not limited to, the total withholding of benefits), or a cashier error (see Manual Section 63-4511).

OBsoleteSuperseded by ACI #77-15Issued 3-17-77

When the county agrees that an administrative error has occurred and that the household is entitled to restoration of lost benefits (i.e., bonus coupons), written notification shall be made to the household indicating that a credit account has been established and the amount of benefits to be restored. This communication should note the household's continued right to apply for a fair hearing should the household disagree with the county's computation of the amount of benefits to be restored.

GENERAL PROVISIONS FOR THE GRANTING OF RETROACTIVE BENEFITS

Retroactive benefits are granted in instances where households were wrongfully denied food stamps, were wrongfully terminated from the program, when the household's coupon allotment was wrongfully delayed, or when the household's total coupon allotment is underissued. Retroactive benefits cannot be granted in situations where the total coupon allotment is correct, but the household has been overcharged for the coupon allotment. Overcharges require a cash refund and should be processed in accordance with Manual Section 63-4210.

Retroactive benefits may only be made to households when the head of household is currently certified as eligible to participate in the program. They may be made only through "forward adjustment" of food stamp benefits by the reduction of the household's purchase requirement. Total reimbursement for these claims should be accomplished within the shortest time possible.

REFUNDS - GENERAL PROVISIONS

All refund claims must be documented by a signed and dated request from the claimant. Refunds may be made to food stamp households in one of three ways. The method preferred by FSPM is for the county agency to make refunds available to claimants from current cash receipts from over-the-counter sales of food coupons (Section 63-4213). Refunds made in this manner would be reflected on the FNS-250 Food Stamp Accountability Report prepared by the agency making the refund.

Refunds may also be made to recipients from county funds (63-4214). Both of these methods insure a prompt refund to the recipient.

However, in those counties where local statute prohibits the use of county funds for food stamp refund purposes, refunds may be made by FNS as outlined in Manual Section 63-4215.

REFUNDS FOR PURCHASE REQUIREMENT OVERCHARGE

Refunds for purchase requirement overcharge may only be made when the household has been overcharged for its coupon allotment (i.e., when the household pays more than it should have for the coupon allotment to which it was entitled). Refund requests for coupon purchase requirement overpayment must be submitted on a properly completed Form FNS-293.

REFUNDS FOR COUPON BOOKS RETURNED BY RECIPIENTS

Manual Section 63-4220 establishes the general guidelines for processing refund claims for households returning coupon books for refund. The basic requirement is that (except as outlined in Manual Section 63-4222) refunds can only be made for returned coupons to households currently participating in the Food Stamp Program or their representative. The households are entitled to return any unused coupons to the county certifying agency and on submittal of an acceptable written or typed refund request, be refunded in the same ratio of cash to coupons as was applied by the certifying agency in the authorization for the issuance of the coupons. The formula for making refunds in these instances is provided in Section 63-4220.

CLAIM DETERMINATIONS

Whenever it is discovered by the county that a program loss has occurred, a determination must be made as to the source and extent of such loss. When it is determined that a household received food coupons to which it was not entitled, a Claim Determination Report (DFA 332) must be completed by the county, except when such loss has resulted from any instance mentioned in Manual Section 63-4530.

The Claim Determination Report must be submitted on the latest revision of Form DFA 332.

In completion of the Form DFA 332, the county is required to clearly show the cause of the program loss. Evidence must also clearly show that a loss has, in fact, occurred. In determining the amount of program loss, the issuance data reported must have been that in effect at the time the loss occurred. When the county wishes to request that collection action be declined, the only acceptable reasons are stated in Sections 63-4523.2 and 63-4640. These reasons must be clearly indicated on the DFA 332.

When the amount of the program loss is less than \$400 and is not the result of fraud or deliberate misrepresentation on the part of the household, the county will complete the DFA 332 and file it in the case file. The county will not submit the DFA 332 for these claims unless repayment of either the total amount of the claim or of any part of the claim has been made. The DFA 332 for these claims is submitted to FNS only to document any repayment of the program loss.

REPAYMENT OF CLAIMS

Counties are liable for all monies and coupons collected in the repayment of claim determinations. All sums collected in repayment of claim determinations must be transmitted to the FNS Finance and Program Accounting Division, Washington, D.C. At the request of FNS Western Region, counties are asked to submit copies of repayment transmittal documents to the Region Office. This is so that FNS Western Region Office may assist the counties in closing out claims on which payment has been made in full. In those instances where final payment is being transmitted (and the county provides a notation that the payment is a final payment), the Regional Office will be able to assist in speeding up the closure of the claims.

It has also been suggested that counties review outstanding claims in order to determine whether the claims are still collectible. If the claims are determined to be no longer collectible, the county should submit a revised Form DFA-332 using the information originally reported to establish the claim, note any repayments which have occurred, and request that the claim be considered to be uncollectible. It is suggested that this be done in cases where no activity has occurred for six months or more.

When a household owes a balance on an overdue fraud claim and is entitled to receive a refund for purchase requirement overcharge, the counties are permitted to balance the amount of the refund against part or all of the fraud claim balance (see Section 63-4211).

NO REFUND, RETROACTIVE BENEFITS, OR CLAIM DETERMINATION

No refund request or retroactive benefit may be granted nor a claim determination report completed in those instances where the household's purchase requirement and/or coupon allotment was correctly computed on the basis of information provided by the household at the time of certification and coupon issuance (provided that this information was not fraudulent and did not represent a deliberate misrepresentation by the household).

For example, no refund or retroactive benefit or claim determination would be required if there is a change in household circumstances made known to the county for the first time after the coupon allotment for the affected period had been issued, provided that the purchase requirement and coupon allotment were correctly computed on the basis of information available at the time of the certification and issuance.

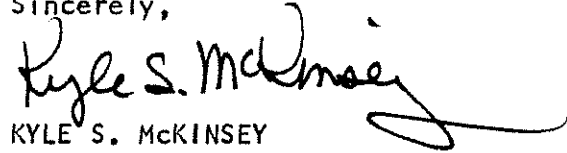
In no instance may coupon overissuances made in any given month be reduced by coupon underissuances in any other month. The county may not adjust a household's coupon allotment in order to offset a claim against the household for its receipt of coupons to which it was not entitled. Nor may the county balance any coupon underissuance against coupon overissuance to determine the amount of the claim determination or the amount of retroactive benefit to which the household is entitled.

The provisions set forth in this letter in no way relieve the counties of their obligation to correctly certify households and to process applications within the 30-day period required by Food Stamp Program Regulations. The processing period begins on the date an application is received. An identifiable application or affidavit must be accepted when the applicant chooses to submit such application or affidavit, even if an appointment is assigned for a future date. Acceptance of applications only at the interview is not in conformance with regulations.

If there are any questions regarding the above-mentioned Manual Sections, please direct them to Dave Owens of the Food Stamp Policy Coordination Bureau at (916) 445-6907.

Your continued cooperation is appreciated.

Sincerely,

A handwritten signature in black ink, reading "Kyle S. McKinsey". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

KYLE S. MCKINSEY
Deputy Director

cc: CWDA
FNS, USDA